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CHICAGO BOARD OF TRADE MARKET NEWS

Week in Review: CME Corn July Contract

\$/Bu	Monday 1 June	Tuesday 2 June	Wednesday 3 June	Thursday 4 June	Friday 5 June
Change	0.0075	0.0675	0.0000	0.0450	-0.0300
Closing Price	3.5225	3.5900	3.5900	3.6350	3.6050
Factors Affecting the Market	A retest of last week's lows failed to break lower and so a tug of war ensued. July corn closed slightly positive.	Corn contracts worked higher as crop conditions did not improve for U.S. corn and it seems unlikely anything changes next week.	The July contract traded higher for most of the day but it was shoved below \$3.60 per bushel on the close.	This week's steady upward momentum has not been broken so far and today's prices are 10 cents above Monday.	The week-to-week change was up 9 cents, with Friday being the one trading day that closed negative.

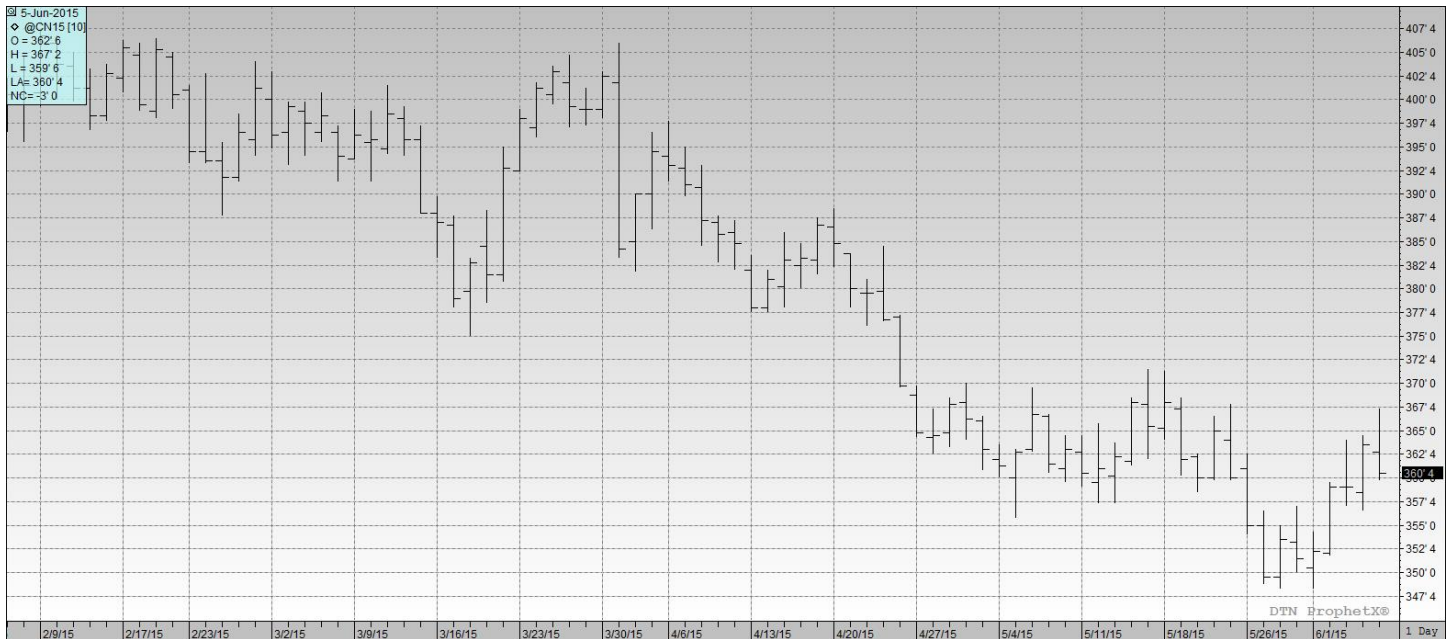
For more information on the contents of this newsletter or the U.S. Grains Council, its mission and programs, please contact Manuel Sanchez or Alvaro Cordero at (202) 789-0789.

The U.S. Grains Council is a private, non-profit partnership of producers and agribusinesses committed to building and expanding international markets for U.S. barley, corn, grain sorghum and their products. The Council is headquartered in Washington, D.C. and has nine international offices that oversee programs in more than 50 countries. Financial support from our private industry members, including state checkoffs, agribusinesses, state entities and others, triggers federal matching funds from the USDA resulting in a combined program value of more than \$26 million.

Outlook: On Monday the USDA reported that the planting pace of U.S. corn was 95 percent complete, which was just about even with the five-year average rate of planting at 94 percent. Rains had caused the planting pace to slow more recently, but the fact that this season's initial plantings began sooner-than-average has caused the current emergence rate of 84 percent to be above the five-year average of 79 percent and last seasons' emergence rate of 77 percent. Early emergence can be beneficial if a crop is able to avoid the peak heat of summer. Of course, the period of peak heat varies each season by timing, length and intensity.

Last season the U.S. corn crop developed well right into a relatively wide window of pollination. Plants also benefited from a summer with little excessive heat and generally sufficient moisture to work through the increased stresses of the pollination period that allowed ears to mature with limited stress on plants. This season market participants will be anxiously keeping an eye how the young plants develop prior to pollination. Excessive moisture and insufficient heat units can also create stresses and impede plant development. The near-term outlook is that any form of persistent decline in the reported weekly average crop condition for U.S. corn during the next month will most likely result in some weather premium being purchased into corn contracts prior to pollination.

CBOT JULY CORN FUTURES



Source: Prophet X

Current Market Values:

Futures Price Performance: Week Ending June 5, 2015			
Commodity	5-June	29-May	Net Change
Corn			
Jul 15	360.50	351.50	9.00
Sep 15	367.50	357.25	10.25
Dec 15	378.00	368.00	10.00
Mar 16	389.00	378.50	10.50
Soybeans			
Jul 15	937.75	934.00	3.75
Aug 15	924.50	919.25	5.25
Sep 15	916.00	907.75	8.25
Nov 15	914.25	905.75	8.50
Soymeal			
Jul 15	304.90	305.70	-0.80
Aug 15	297.90	298.40	-0.50
Sep 15	294.90	295.00	-0.10
Oct 15	291.70	292.60	-0.90
Soyoil			
Jul 15	34.78	33.33	1.45
Aug 15	34.79	33.35	1.44
Sep 15	34.82	33.33	1.49
Oct 15	34.83	33.27	1.56
SRW			
Jul 15	517.00	477.00	40.00
Sep 15	521.50	482.25	39.25
Dec 15	533.00	497.00	36.00
Mar 16	545.00	511.50	33.50
HRW			
Jul 15	535.25	498.75	36.50
Sep 15	546.00	507.75	38.25
Dec 15	563.25	524.75	38.50
Mar 16	577.00	538.00	39.00
MGEX (HRS)			
Jul 15	571.50	530.75	40.75
Sep 15	581.50	541.50	40.00
Dec 15	595.00	555.50	39.50
Mar 16	608.50	569.50	39.00

*Price unit: Cents and quarter-cents/bu (5,000 bu)

U.S. WEATHER/CROP PROGRESS

U.S. Crop Planting Progress				
Commodity	31-May-15	Last Week	Last Year	2010-14 Average
Corn	95%	92%	94%	94%
Sorghum	43%	41%	55%	55%

Source: USDA

U.S. Drought Monitor Weather Forecast: For the upcoming period through June 8, decent precipitation should occur across the Great Basin, north-central Rockies, central and northern Plains, most of the Midwest and Great Lakes region and along most of the southern Atlantic Coast States (from Florida northward into Virginia). Little or no rainfall is expected in the Far West, Southwest, southern third of the Plains and coastal New England. Temperatures should average above-normal in the Northwest, southern half of the Plains, middle and lower Mississippi and Ohio Valleys. Elsewhere it should be near or slightly below-normal.

For the ensuing period of June 9-13, the CPC 10-day outlooks, odds favor above-median precipitation in the Southwest, Great Basin, central Rockies and Plains and eastern-third of the nation, with subnormal precipitation likely in the Northwest, northern and southern Plains. Above-normal temperatures are favored in the West, northern Plains, the Southeast and along the Eastern Seaboard. Follow this link to view current U.S. and international weather patterns and the future outlook: [Weather and Crop Bulletin](#).

U.S. EXPORT STATISTICS

Export Sales and Exports: Week Ending May 28, 2015					
Commodity	Gross Sales (MT)	Exports (MT)	YTD Exports (000MT)	YTD Bookings (000MT)	% Change YTD Bookings
Wheat	54,800	406,300	22,335.5	23,290.1	-27%
Corn	614,200	957,400	32,194.0	43,460.7	-6%
Sorghum	28,400	206,500	6,770.7	8,310.8	101%
Barley	0	15,900	144.0	148.6	-17%

Source: USDA, World Perspectives, Inc.

Corn: Net sales of 464,900 MT for delivery in 2014/15 were down 29 percent from the previous week and 31 percent from the prior four-week average. Increases were reported for Japan (183,200 MT, including 38,800 MT switched from unknown destinations and decreases of 1,600 MT), Mexico (133,800 MT), Egypt (55,000 MT), China (55,000 MT, switched from unknown destinations), Colombia (42,900 MT, including 40,000 MT switched from unknown destinations and decreases of 7,300 MT) and Peru (29,700 MT). Decreases were reported for unknown destinations (162,600 MT), Guatemala (2,600 MT) and Trinidad (800 MT). Net sales reductions of 54,800 MT for 2015/16 resulted as increases for unknown destinations (25,400 MT) and Panama (800 MT), were more than offset by decreases for Japan (50,000 MT), Canada (25,000 MT) and Colombia (6,000 MT). Exports of 957,400 MT were down 11 percent from the previous week and 13 percent from the prior four-week average. The primary destinations were Mexico (351,500 MT), Japan (205,400 MT), Peru (99,000 MT), Colombia (90,200 MT), China (58,500 MT) and Costa Rica (40,100 MT).

Barley: Net sales reductions of 100 MT for 2014/15 were reported for Japan. Net sales of 100 MT for 2015/16 were reported for South Korea. Exports of 15,900 MT were reported to Japan.

Sorghum: Net sales of 24,500 MT for 2014/15 resulted as increases for China (77,500 MT, including 53,000 MT switched from unknown destinations and decreases of 3,900 MT), were partially offset by decreases for unknown destinations (53,000 MT). Exports of 206,500 MT were up 85 percent from the previous week and 27 percent from the prior four-week average. The destination was China and includes 48,000 MT late reporting.

U.S. Export Inspections: Week Ending May 28, 2015					
Commodity (MT)	Export Inspections		Current Market YTD	Previous YTD	YTD as Percent of Previous
	Current Week	Previous Week			
Corn	975,985	1,007,891	31,897,668	33,676,943	95%
Sorghum	158,926	111,405	7,362,255	3,422,735	215%
Soybeans	73,190	302,193	46,955,179	42,120,158	111%
Wheat	359,693	451,028	22,592,876	31,267,791	72%
Barley	17,464	0	180,002	214,277	84%

Source: USDA/AMS. *Marketing Year is June 1-May 31 for wheat and barley and Sept. 1-Aug. 31 for corn, sorghum and soybeans. Week-to-week reports will vary due to exporter reported corrections and cancellations to previous week's reports.

USDA Grain Inspections for Export Report: Week Ending May 28, 2015						
Last Week	YC	% of Total	WC	% of Total	Sorghum	% of Total
Gulf	699,303	73%	20,902	99%	158,510	100%
PNW	126,396	13%	245	1%	0	0%
Lakes	0	0%	0	0%	0	0%
Atlantic	1,837	0%	0	0%	416	0%
Interior Export Rail	127,302	13%	0	0%	0	0%
Total (Metric Tons)	954,838	100%	21,147	100%	158,926	100%
White Corn Shipments by Country (MT)			12,213	to El Salvador		
			8,689	to Colombia		
			245	to Korea		
Total White Corn (MT)			21,147			
Sorghum Shipments by Country (MT)					158,926	to China
Total Sorghum (MT)					158,926	

Source: USDA, World Perspectives, Inc.



FOB

Yellow Corn (USD/MT FOB Vessel)				
YC FOB Vessel Max. 15.0% Moisture	GULF		PNW	
	Basis (#2 YC)	Flat Price (#2 YC)	Basis (#2 YC)	Flat Price (#2 YC)
FH June	+0.77 N	\$172.23	+0.94 N	\$178.93
LH June	+0.75 N	\$171.45	+0.94 N	\$178.93
July	+0.72 N	\$170.27	+0.93 N	\$178.53
August	+0.64 U	\$169.87	+0.88 U	\$179.32

#2 White Corn (U.S. \$/MT FOB Vessel)			
Max. 15.0% Moisture	June	July	August
Gulf	\$205	\$205	\$205

Sorghum (USD/MT FOB Vessel)				
#2 YGS FOB Vessel Max 14.0% Moisture	NOLA		TEXAS	
	Basis	Flat Price	Basis	Flat Price
June	+2.80 N	\$252.15	+2.80 N	\$252.15
July	+2.50 Z	\$247.23	+2.50 Z	\$247.23
August	+2.50 Z	\$247.23	+2.30 Z	\$239.36

Barley: Feed Barley (FOB USD/MT)			
	June	July	August
FOB PNW	\$235	\$235	\$235

Corn Gluten Feed Pellets (CGFP) (FOB Vessel U.S. \$/MT)			
	June	July	August
New Orleans	\$145	\$145	\$145
Quantity 5,000 MT			
Corn Gluten Meal (CGM) (FOB Vessel U.S. \$/MT)			
Bulk 60% Pro.	June	July	August
New Orleans	\$685	\$685	\$685
*5-10,000 MT Minimum			

*All prices are market estimates.

DDGS Price Table: June 5, 2015 (USD/MT) (Quantity, availability, payment and delivery terms vary)			
Delivery Point Quality Min. 35% Pro-fat combined	Jun.	Jul.	Aug.
Barge CIF New Orleans	211	208	204
FOB Vessel GULF	225	221	218
Rail delivered PNW	222	219	217
Rail delivered California	226	224	221
Mid-Bridge Laredo, TX	224	218	215
40 ft. Containers to South Korea (Busan)	274	268	268
40 ft. Containers to Taiwan (Kaohsiung)	275	269	269
40 ft. Containers to Philippines (Manila)	287	281	281
40 ft. Containers to Indonesia (Jakarta)	284	281	281
40 ft. Containers to Malaysia (Port Kelang)	287	283	283
40 ft. Containers to Vietnam (HCMC)	293	287	287
40 ft. Containers to Japan (Yokohama)	281	277	277
40 ft. containers to Thailand (LCMB)	281	278	278
40 ft. Containers to Shanghai, China	271	265	265
KC & Elwood, IL Rail Yard (delivered Ramp)	202	198	197

Source: WPI, *Prices are based on offer indications only; terms of delivery, payment and quality may vary from one supplier to another, impacting the actual value of the price.

DISTILLERS DRIED GRAINS WITH SOLUBLES (DDGS)

DDGS Comments: DDGS merchandisers noted that demand has slowed and prices trended downward this past week. Customers were making inquiries about potential purchases for September through December, but the bids generally remain well below the offers because many customers desire to see how prices will develop in U.S. feed grain markets this summer. The result is that merchandisers offered additional price concessions in order to entice more near-term buying and movement of inventory.

The price of bulk DDGS delivered to the Gulf of Mexico in June declined by more than \$15/MT and by more than \$10/MT for delivery in July or August. Offers to domestic buyers also declined by as much as \$15/MT for sizable bulk purchases of rail-delivered DDGS during the June-August time period. Containerized DDGS prices had already been in decline during the past few weeks, but they also dropped by an additional \$5/MT for June-August.

DDGS buyers from China and Korea were making inquiries this past week about the best possible price, but none seemed active. However, there are market rumors that a Vietnamese customer has made a sizable purchase of DDGS. That could end up looking like a very wise decision a couple of weeks from now because there is a seasonal tendency for Chicago corn futures contracts to bounce higher prior to the period of corn pollination.

Ethanol Comments: The weekly ethanol production data from the Energy Information Administration (EIA) held a couple of significant points this week: The first point is that the total ethanol stocks remained stationary at 20.1 million barrels while there was a slight increase in the average daily production rate from the week-ago rate of 969,000 barrels per day (bpd) to the current rate of 972,000 bpd. The second more significant factor is that the current total stocks level of 20.1 million barrels is now only 10 percent above the year ago inventory of 18.3 million barrels. This reduced percentage in relation to a year ago implies that current ethanol prices, which are already well below year ago, do not need to continue weakening if the price of gasoline stabilizes.

The differentials between the spot price of corn and ethanol co-products in primary regions of the Corn Belt are not producer margins, but the data does imply that sizable differences in year-over-year actual returns does exist for the majority of ethanol facilities. The differentials for week ending June 5, 2015 are as follows:

- Illinois differential is \$2.19 per bushel in comparison to \$2.39 the prior week and \$3.64 a year ago.
- Iowa differential is \$1.98 per bushel in comparison to \$2.14 the prior week and \$3.49 a year ago.
- Nebraska differential is \$1.69 per bushel in comparison to \$1.84 the prior week and \$3.38 a year ago.
- South Dakota differential is \$2.31 per bushel in comparison to \$2.42 the prior week and \$3.91 a year ago.

COUNTRY NEWS

China: USDA has indicated that Chinese imports of U.S. DDGS totaled 601,834 MT in April, which is the second-largest monthly shipment ever reported, according to Reuters. The largest prior shipment was in November 2013, when China imported 609,938 MT. Total U.S. DDGS exports for April totaled 928,120 MT, which was the highest amount shipped since the 1.086 MMT shipped in August 2014.

Japan: The world's largest corn buyer will be cutting imports of feed corn in favor of domestic rice, reports Bloomberg News. Corn purchasing could drop by 3 percent from the 15 MMT Japan purchased in 2014, which would be a 27-year low.

Ukraine: One of Ukraine's largest agriculture companies, Mriya Agro Holding Plc, is close to securing assistance from creditors that would allow it to avoid liquidation, reports Bloomberg News. The company defaulted on \$1.2 billion in debt last year, but has secured a six-month, \$25 million deal that will allow the company to complete the winter harvest as well as buy much needed fertilizer for spring corn planting.

OCEAN FREIGHT MARKETS AND SPREAD

Bulk Freight Indices for HSS — Heavy Grain, Sorghum and Soybeans*			
Route and Vessel Size	Current Week (USD/MT)	Change from Previous Report	Remarks
55,000 U.S. Gulf-Japan	\$30.00	Unchanged	Handymax at \$30.25/MT
55,000 U.S. PNW-Japan	\$16.75	Up \$0.25	Handymax at \$17.00/MT
55,000 U.S. Gulf-China	\$28.75	Unchanged	North China

PNW to China	\$15.75	Up \$0.25	
30,000 U.S. Gulf-Veracruz, México	\$13.75	Down \$0.25	4,000 MT daily discharge rate
40-45,000 U.S. Gulf-Veracruz, México	\$11.50	Unchanged	Deep draft and 8,000 MT per day discharge rate.
25/35,000 U.S. Gulf-East Coast Colombia, from Argentina	\$12.50 \$23.50	Unchanged Unchanged	West Coast Colombia at \$20.00
36-40,000 U.S. Gulf-Guatemala	\$20.50	Unchanged	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf-Algeria	\$28.00 \$29.50	Unchanged	8,000 MT daily discharge 3,000 MT daily discharge
25-30,000 U.S. Gulf-Morocco	\$27.00	Unchanged	5,000 discharge rate
55,000 U.S. Gulf-Egypt PNW to Egypt	\$23.50 \$24.00	Unchanged Unchanged	55,000 -60,000 MT St. Lawrence to Egypt \$24.00
65-75,000 U.S. Gulf-Europe-Rotterdam	\$13.25	Unchanged	Handymax at +\$1.50 more
Brazil, Santos-China	\$23.00 \$22.00	Unchanged Unchanged	54-58,000 Supramax-Panamax 60-66,000 Post Panamax
Itacoatiara Port up river Amazonia-China	\$31.00	Unchanged	48-53,000 MT (11.5 meter draft)
56-60,000 Argentina-China Upriver with Top-Off	\$28.75	Unchanged	—

Source: O'Neil Commodity Consulting

*Numbers for this table based on previous night's closing values.

OCEAN FREIGHT COMMENTS

Transportation and Export Report: Jay O'Neil, O'Neil Commodity Consulting: What new can be said about these vessel markets? Not much. The Capesize market was mostly flat this week.

The Panamax sector saw a little better demand and slightly higher long-term time charter rates. But the Panamax voyage charter market is still not willing to pay up and is therefore mostly unchanged for the week. The news coming out of the big Shipping Norway conference mostly involves vessel owners stating the obvious "we got it wrong" and "we have to face the music". Now we will see if they really mean it and stay away from ordering new ships.

With delivered PNW rail corn bid at +93 N and FOB vessel trading at about the same, or slightly lower, it looks as if we are trading negative fobbing margins out there for June-July. However negative rail car values of up to \$350-\$375 per car will add .08-.09 cent per bushel (\$3.15-\$3.54/MT) to this calculation. Add in some rumored rail rate incentives and the fobbing margins in the PNW become attractively positive. So export corn and soybean business should continue to flow in that direction.



Baltic Panamax Dry-Bulk Indices

June 5, 2015 Route	This Week	Last Week	Difference	Percent Change
P2A: Gulf/Atlantic – Japan	9,559	8,302	1,257	15.1%
P3A: PNW/Pacific– Japan	4,493	4,254	239	5.6%

Source: O'Neil Commodity Consulting

Below is a recent history of freight values for Capesize vessels of iron ore from Western Australia to South China:

Week of June 5, 2015

Four weeks ago:	\$4.40-\$4.50
Three weeks ago:	\$4.40-\$4.65
Two weeks ago	\$4.80-\$5.60
One week ago:	\$4.90-\$5.15
This week	\$5.05-\$5.15

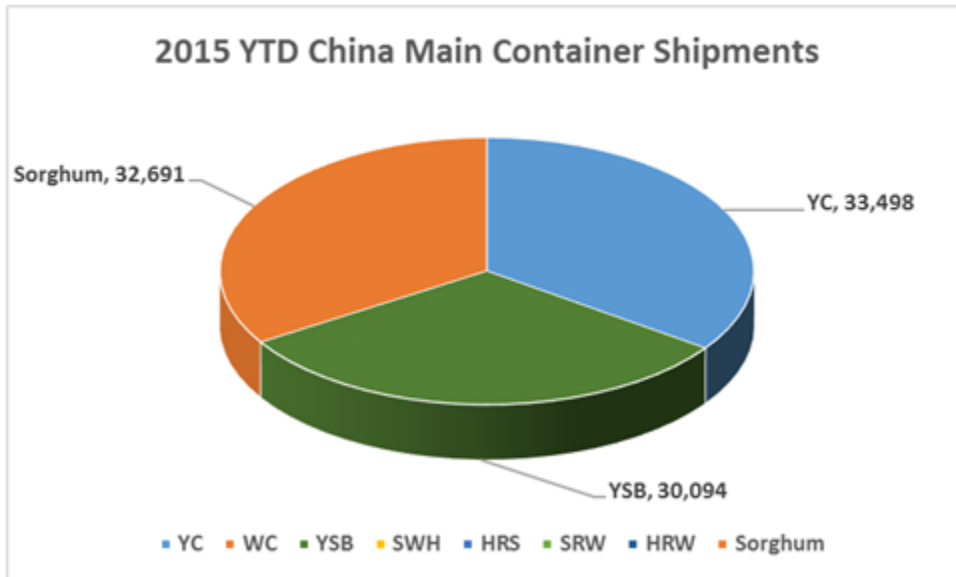
Source: O'Neil Commodity Consulting

U.S. – Asia Market Spreads

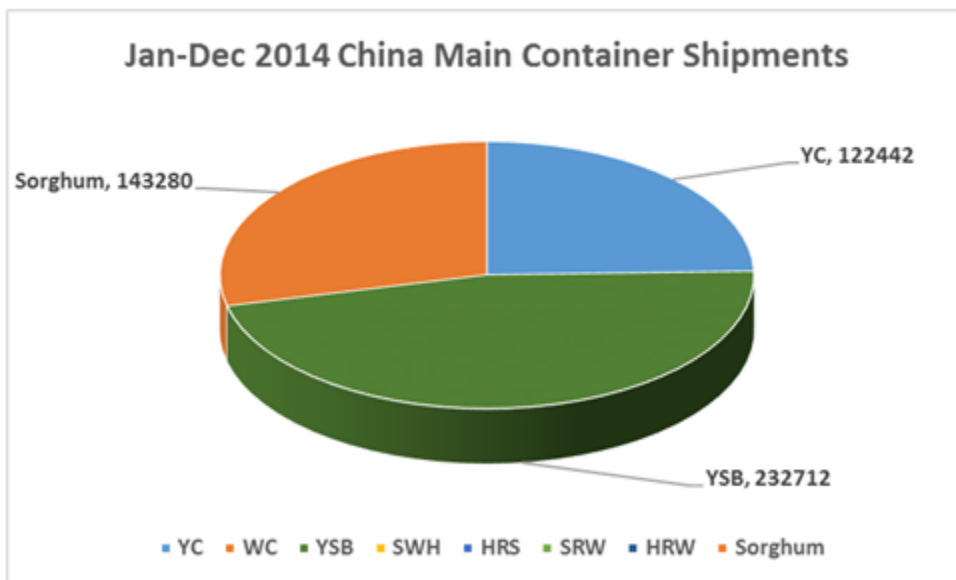
June 5, 2015	PNW	Gulf	Bushel Spread	MT Spread	Advantage
# 2 Corn	0.90	0.69	0.21	\$8.27	PNW
Soybeans	1.15	0.85	0.30	\$11.81	PNW
Ocean Freight	\$15.75	\$28.75	0.33-0.35	(\$13.00)	July

Source: O'Neil Commodity Consulting

The charts below represent January-December 2014 annual totals versus year-to-date 2015 container shipments to China.



Source: O'Neil Commodity Consulting



Source: O'Neil Commodity Consulting

International Freight Rates for Feed Grains – Select Routes Estimated Spot Price (\$/MT) – Week ending June 5, 2015								
Commodity	Origins	China	Japan	Korea	Colombia	Morocco	Egypt	Saudi Arabia
Corn (Yellow)	Argentina	\$30	\$32	\$31	\$25	\$26	\$23	-
	Brazil	\$22.5	\$25	\$24	\$21	\$20	\$18	-
Corn (White)	Argentina	\$29	\$31	\$30	\$25	\$25	\$22	-
	Brazil	\$22	\$24	\$23	\$21	\$19	\$17	-
Barley	Argentina	\$29	\$31	\$30	\$25	\$25	\$22	-
	Brazil	\$22	\$24	\$23	\$21	\$19	\$17	-
Sorghum	Argentina	\$29	\$31	\$30	\$25	\$25	\$22	-
	Brazil	\$22	\$24	\$23	\$21	\$19	\$17	-

Note: Bid-ask spreads can vary in width and initial offers may be higher on less active routes.

Source: World Perspectives, Inc.

INTEREST RATES

Interest Rates (%): May 27, 2015			
	Current Week	Last Week	Last Month
U.S. Prime	3.25	3.25	3.25
LIBOR (6 month)	0.42	0.43	0.41
LIBOR (1 year)	0.75	0.74	0.72

Source: www.bankrate.com